To: "Gerald Gline" [GGline@coleschotz.com]

Cc: "Charles V. Bonin" [cvbonin.law@verizon.net];

onald.frankel@usdoj.gov;eshea@windelsmarx.com;jerry.maclaughlin@usdoj.gov[]; shea@windelsmarx.com;jerry.maclaughlin@usdoj.gov[]; erry.maclaughlin@usdoj.gov[]

Bcc: []

From: CN=Sarah Flanagan/OU=R2/O=USEPA/C=US

Sent: Tue 6/26/2007 3:36:50 PM

Subject: Re: Diamond Alkali -LPRSA - Marcal Claim

ggline@coleschotz.com www.coleschotz.com www.ourpassaic.org

I have made a package for Ed Shea as well. We'll get back to you shortly about our availability this afternoon.

"Gerald Gline" <GGline@coleschotz.com> 06/26/2007 11:18 AM

To Sarah Flanagan/R2/USEPA/US@EPA

cc <donald.frankel@usdoj.gov>, <jerry.maclaughlin@usdoj.gov>, "Charles V. Bonin"

<cvbonin.law@verizon.net>, <eshea@windelsmarx.com>

Subject Re: Diamond Alkali -LPRSA - Marcal Claim

Please send the information to my New Jersey office. If possible , please also send a set of the same documents to Ed Shea , Marcal's environmental counsel. His address is Windels, Marx Lane & Mittendorf, LLP , 156 West 56th street < New York , NY 10019.

We would also apreciate the oportunity for a conference call today, at any time that works for you and Mr. Maughlin between 1 pm and 2:30 pm. Mr. Shea and Bonin (Marcal's general counsel) would also participate. I can provide a dial in conference number.

The purpose of the call would be to discuss the next steps to trying to reach a consensual resolution of the EPA claim. I agree that our discussion would be inadmissible settlement discussions under FRE 408. please advise of a time that works for you.

Gerald H. Gline, Esq.
Cole, Schotz, Meisel, Forman & Leonard, P.A.
A Professional Corporation
Court Plaza North
25 Main Street
P. O. Box 800
Hackensack, NJ 07602-0800
201.525.6240 direct dial
201.678.6240 direct fax
201.960.3559 cell phone
-and900 Third Avenue
Sixteenth Floor

New York, NY 10022
Phone: 212.752.8000
ggline@coleschotz.com
www.coleschotz.com
Legal Secretary: - Brooke Fink 201.489.3000, ext. 5097
Admitted to Practice in New Jersey

>>> <Flanagan.Sarah@epamail.epa.gov> 6/26/2007 11:02:04 AM >>>

Dear Mr. Gline:

As discussed, I am sending you information by overnight delivery service to aid you in understanding the basis for the claim of the United States against Marcal Paper Mills, Inc. The information is forwarded in furtherance of settlement discussions and comprises a settlement communication subject to FRE 408.

In addition, I would like to refer you to two documents that appear as appendices to the Focused Feasibility Study ("FFS") recently released in draft form by EPA: Appendix A -- the Conceptual Site Model; and Appendix D -- the Empirical Mass Balance Model. The entire FFS can be downloaded from www.ourpassaic.org but these two documents in particular should be enlightening for you as they address the transport of polychlorinated biphenyls from the Upper Passaic River to the Lower Passaic River. To find the Conceptual Site Model and Empirical Mass Balance Model, click on the link for "Project Activities" and then "Early Action." I could try to attach them to an email but the documents are large and could be a problem, so I thought it best to direct you to the website.

I had hoped to send the package to you yesterday, my apologies that it did not go out until today. I am sending the documents to your Hackensack address -- please let me know if you would prefer them to be directed to your Manhattan address.

Sarah P. Flanagan Office of Regional Counsel, NJ Superfund Branch USEPA, Region II 290 Broadway, 17th Floor New York, NY 10007 Tel: 212-637-3136 Fax: 212-637-3096

This email may contain material that is confidential, privileged and/or attorney work product for the sole use of the intended recipient. Any review of, reliance on, or distribution by others or forwarding without the express permission of the sender is strictly prohibited. If you are not the intended recipient, please contact the sender and delete all copies.